Supreme Court, U.S.
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No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1997

**EVANS COOLING SYSTEMS, INC.
and PATENT ENFORCEMENT FUND, INC.,**

Petitioners,

v.

GENERAL MOTORS CORPORATION,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Can a patent be invalidated by a party who surreptitiously and fraudulently steals an invention while it is a trade secret and puts the invention on sale more than one year before the inventor files a patent application?

LIST OF PARTIES AND RULE 29.6 STATEMENT

The parties to the proceeding are the parties shown in the caption of this Petition. The following are parent companies, subsidiaries and/or affiliates (except wholly owned subsidiaries) of certain corporate petitioners: Patent Enforcement Fund, Inc. is a subsidiary of Valutron N.V.

TABLE OF CONTENTS

PAGE

QUESTION PRESENTED i

LIST OF PARTIES AND RULE 29.6 STATEMENT ii

TABLE OF CONTENTS iii

CONTENT OF APPENDIX v

TABLE OF AUTHORITIES vi

OPINIONS BELOW 1

JURISDICTION 1

CONSTITUTIONAL PROVISION AND STATUTE INVOLVED 2

STATEMENT OF THE CASE 2

I. Nature Of The Case 2

II. The Course Of Proceedings Below 3

III. Statement Of Facts 4

A. The Technology Involved In This Case . . 4

B. Evans' Development And Ownership Of The Invention As A Trade Secret 5

C. GM's Theft Of Evans' Trade Secret 5

D. GM's Alleged Sales Activities 8

E. Evans' Assertion Of His Rights Against GM 9

REASONS FOR GRANTING THE WRIT 10

I. Supreme Court Precedent Precludes Invalidation Of A Patent By Surreptitious And Fraudulent Theft And Use Of The Invention 11

II. The Court Of Appeals Has Not Followed The Rule Of Law Established By This Court's Precedents 14

III. The Decision Of The Court Of Appeals Defeats The Goals Of Our Patent Laws Of Fostering Technological Growth And Industrial Innovation 18

CONCLUSION 20

CONTENT OF APPENDIX

Opinion of the Court of Appeals for the Federal Circuit, dated September 16, 1997 .... App. 1

Opinion of the District Court, dated September 30, 1996 ..... App. 14

Judgment of the District Court, dated November 4, 1996 ..... App. 19

TABLE OF AUTHORITIES

Cases:	PAGE
Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986).	18
Andrews v. Hovey, 124 U.S. 694 (1888)	12-14
City of Elizabeth et al. v. American Nicholson Pavement Co., 97 U.S. 126 (1878)	18
Eastman v. Mayor of N.Y., 134 F. 344 (2d Cir. 1904)	15-17
Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co., 339 U.S. 605 (1949)	20-21
In re Martin, 74 F.2d 951 (CCPA 1935)	15-17
Kendall v. Winsor, 62 U.S. (21 How.) 322 (1859)	11-18
Kewannee Oil Co. v. Bicron Corp., 416 U.S. 470 (1974)	19
Lorenz v. Colgate-Palmolive-Peet Co., 167 F.2d 423 (3d Cir. 1948)	15-17
Markman v. Westview, 517 U.S. 370, 116 S.Ct. 1384 (1996)	18
National Tube Co. v. Eastern Tube Co., 3 Ohio CC NS 459 (1902), aff'd, 69 Ohio St. 560, 70 N.E. 1127 (1903)	19
Pennock v. Dialogue, 27 U.S. (2 Pet.) 1 (1829)	11, 13-15, 17

Shaw v. Cooper,
32 U.S. (7 Pet.) 292 (1833) 11-17

Smith v. Goodyear Dental Vulcanite Co.,
93 U.S. 486 (1876) 18

Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 117 S.Ct. 1040 (1997) 21

Woodbury Patent Planing-Machine Co. v. Keith, 101 U.S. 479 (1880) 18

Zenith Radio Corporation v. Hazeltine Research, Inc., 395 U.S. 100 (1969) 20

Constitutional Provisions:

U.S. CONST. art. I, § 8, cl. 8 ..... 2, 18

Statutes:

28 U.S.C. § 1295(a)(1) 2

28 U.S.C. § 1254(1) 1

28 U.S.C. § 1338(a) 2

35 U.S.C. § 102(b) 2, 3, 14

35 U.S.C. § 271(a) 20

Rules:

Supreme Court Rule 10(c) 11

PETITION FOR WRIT OF CERTIORARI

Petitioners (hereinafter "Evans") respectfully pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Federal Circuit, entered in Case No. 97-1146 pursuant to its opinion dated September 16, 1997.

OPINIONS BELOW

The Opinion of the Court of Appeals for the Federal Circuit dated September 16, 1997 is reported at 125 F.3d 1448, and is reprinted in the Appendix at App. 1.

The Opinion of the United States District Court for the District of Connecticut (Chatigny, J.) dated September 30, 1996 is reported at 939 F.Supp. 154, and is reprinted in the Appendix at App. 14.

The judgment of the United States District Court for the District of Connecticut dated November 4, 1996 is reprinted in the Appendix at App. 19.

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered on September 16, 1997. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL PROVISION AND STATUTE INVOLVED

U.S. CONST. art. I, § 8, cl. 8

The Congress shall have Power . . . To promote the Progress of Science and Useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. . . .

35 U.S.C. § 102

A person shall be entitled to a patent unless— . . . (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States. . . .

STATEMENT OF THE CASE

I. Nature Of The Case

This a patent infringement action brought by Evans against the Respondent, General Motors Corporation ("GM"). The District Court had jurisdiction pursuant to 28 U.S.C. § 1338(a), and the Court of Appeals for the Federal Circuit had jurisdiction of the appeal pursuant to 28 U.S.C. § 1295(a)(1).

Evans'[1] patent-in-suit, U.S. Patent No. 5,255,636 ("the '636 patent"), covers a cooling system for internal combustion engines. It issued on October 26, 1993, from an application filed on July 1, 1992. Evans alleges that GM

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[1] Petitioners, Evans Cooling Systems, Inc. and Patent Enforcement Fund, Inc., are co-owners of the patent-in-suit.

has infringed the '636 patent in the manufacture and sale of numerous automobiles, including the Chevrolet Corvette, Chevrolet Caprice, Chevrolet Camaro, Buick Roadmaster and Pontiac Firebird. Evans seeks an injunction and/or damages resulting from the infringement.

II. The Course Of Proceedings Below

After a period of discovery, GM moved for summary judgment of invalidity of the '636 patent contending that GM's sales activities and other activities regarding the 1992 Corvette more than one year before Evans filed his patent application (i.e., before the critical date of July 1, 1991) constitute on sale and public use bars under 35 U.S.C. § 102(b).

Evans responded to GM's motion for summary judgment by arguing, among other things, that GM is barred from asserting the on sale and public use bars under 35 U.S.C. § 102(b) because GM surreptitiously and fraudulently stole Evans' invention and incorporated it into the 1992 Corvette that GM contends was on sale and in public use before the critical date of July 1, 1991. In reply, GM did not contest that there is sufficient evidence to present a triable issue of fact as to whether it had misappropriated Evans' invention and used it in the 1992 Corvette. Instead, GM only argued that even if it stole the invention and incorporated it into the 1992 Corvette, it may nevertheless assert that its activities regarding the 1992 Corvette constitute on sale and public use bars under § 102(b).

The District Court, in its order dated September 30, 1996 (App. 14), granted GM's motion for summary judgment based on the on sale defense (without determining

the applicability of the alleged public use defense). The District Court's opinion did not address or mention Evans' argument that GM should be barred from asserting the on sale and public use defenses because GM stole Evans' invention.

In Evans' appeal of the District Court decision, the Court of Appeals for the Federal Circuit affirmed the District Court decision, and declined to create an "exception" to the on sale bar based on trade secret misappropriation (App. 1).

III. Statement Of Facts

A. The Technology Involved In This Case

The subject matter of the '636 patent is a reverse flow cooling system for an internal combustion engine. The coolant flows from the radiator into the cylinder heads at the top of the engine, downwardly through the engine block, and back into the radiator. The cooling system is "reverse flow" because the generally top-to-bottom coolant flow through the engine is reversed from the generally bottom-to-top coolant flow that has been the standard in the automobile industry since the beginning of mass production of automobiles.

Evans' unique configuration of a reverse flow cooling system improves cooling in the cylinder heads at the top of the engine (the hottest area of the engine) because the coolant flows from the radiator directly to the cylinder heads, and is not pre-warmed in the engine block as in conventional flow systems. As a result, Evans' reverse flow cooling system cools an automobile engine more efficiently than a conventional flow cooling system, and pro-

vides significant advantages including increased horsepower and fuel economy. GM's widespread use of Evans' reverse flow cooling system on GM's automobiles, beginning with the 1992 Corvette, has proven the value and worth of Evans' invention.

B. Evans' Development And Ownership Of The Invention As A Trade Secret

Evans conceived the invention of the '636 patent in 1984. He reduced the invention to practice when he tried it on a test car in 1986. He tested the invention on an engine dynamometer in 1987. He further tested the invention on a GM-owned Corvette in a confidential "black box" demonstration in 1989, as discussed in detail below.

Evans recorded his activities, including the development and testing of the invention, in an inventor's log book. Evans preserved the secrecy of his invention at all times by requiring all persons having contact with him and his company to sign confidentiality agreements.

C. GM's Theft Of Evans' Trade Secret

In February, 1989, GM requested that Evans demonstrate his reverse flow cooling system at GM's test facility. GM stated that the purpose of the demonstration was to compare Evans' reverse flow cooling system to conventional flow systems, and further to compare it to another cooling system (a "propylene glycol" cooling system) that Evans had designed and applied to GM vehicles over the previous several years.

Evans expressed reservations about conducting such a demonstration because his reverse flow cooling system

was a proprietary trade secret that he did not wish to disclose to GM. In response, GM stated that compliance with GM's request for demonstration of Evans' reverse flow cooling system would help "resolve" a dispute over a large receivable owed by GM to Evans' company. Evans' company, MECCA Development, Inc. ("MECCA"), had worked with GM over the previous several years on the propylene glycol cooling system, and GM owed over $800,000 to MECCA for such work. As a compromise, Evans agreed to demonstrate his reverse flow cooling system at GM's test facility on a confidential "black box" basis.

Under the confidential "black box" arrangement, Evans was to install his system on a GM Corvette at the GM test facility, and then allow the system to be tested by GM personnel to determine its efficacy. The hood of the engine was to be kept closed so that the design and configuration of the reverse flow cooling system would be shielded from the view of GM test personnel, and thus kept in a confidential "black box." At the end of the black box demonstration, Evans was to dismantle the reverse flow cooling system and return the test car's cooling system to its previous configuration.

Unbeknownst to Evans, CM's hidden agenda in requesting the black box demonstration was to provide an opportunity for GM to steal Evans' trade secret embodied in the reverse flow cooling system. GM did not disclose that, for several years, GM had been working on a secret project to develop a reverse flow cooling system for use in GM's new "Gen II" engine, which was scheduled to be introduced as the new LT1 engine in the 1992 Corvette. However, GM was having trouble making its own reverse

flow cooling system work, and needed Evans' unwitting "help" in making it work.

The motive for theft was privately communicated to Evans and his employee during the course of the 2-day black box demonstration at the GM test facility. GM technicians, who were working on the Gen II engine in a neighboring test cell at the test facility, took Evans and his employee aside and volunteered that GM engineers were developing the Gen II engine, but they could not make it work; they were getting scared regarding being able to meet the due date for gearing up to produce hardware; they needed Evans to make it work; and they are going to "take" Evans' technology. They told Evans that the GM engineers were going to "steal you blind." After the test of Evans' system proved successful, the technicians told Evans privately, "you just cut your own throat," but did not say how or why.

These startling admissions of the GM technicians are consistent with circumstantial evidence regarding the "black box" demonstration. The two-day demonstration was performed on March 16-17, 1989 at the GM test facility. After Evans and his employee installed the reverse flow cooling system on GM's test Corvette on the first day, the Corvette was supposed to be secured in a GM test cell overnight. No one but GM had access to the test cell. However, when Evans arrived at the test cell the next morning, he found that an access panel for the test cell, which had been left closed for the night, was open, indicating that someone had surreptitiously entered the test cell. The Corvette was owned by GM, and GM had access to the key codes.

After the black box demonstration was concluded, GM changed the as-yet unsuccessful design of its secret reverse flow cooling system and incorporated Evans' stolen trade secret. GM did not publicly release details about its reverse flow cooling system, as incorporated in the LT1 engine, until it released information about the 1992 Corvette in August, 1991. Evans was unaware that GM had incorporated his invention into a GM vehicle until he saw a September, 1991 article in a monthly periodical that described the cooling system for the 1992 Corvette.

D. GM's Alleged Sales Activities

GM began making and selling Evans' stolen reverse flow cooling system when GM introduced the 1992 Corvette with the LT1 engine in August and September of 1991. GM did not publicly announce or otherwise reveal the details of Evans' invention until then, which is after the critical date of July 1, 1991. GM started receiving orders for the 1992 Corvette with the LT1 engine in May and June of 1991, with production scheduled to begin in August, 1991.

In holding that Evans' invention embodied in the 1992 Corvette was offered for sale before the critical date of July 1, 1991, the Court of Appeals relied on an order placed by a customer named Aram Najarian with a GM dealer on June 13, 1991. It is undisputed that neither Mr. Najarian nor the dealer knew the details of Evans' invention in the reverse flow cooling system for the 1992 Corvette at the time Mr. Najarian placed the order.

E. Evans' Assertion Of His Rights Against GM

Notwithstanding his suspicion that GM had stolen his invention in the March, 1989 black box demonstration, Evans did not immediately file a patent application because GM repeatedly disclaimed interest in his invention, because Evans had no hard evidence of theft, and because he was financially broke.

Until September, 1991, Evans had no direct knowledge of GM's use of his reverse flow cooling system. GM had repeatedly disclaimed any interest in Evans' proprietary system in response to Evans' inquiries over a period from 1984 to May, 1989. Evans did not have any hard evidence that GM had actually stolen his invention until he read the September, 1991 article describing how his invention was to be incorporated into the 1992 Corvette.

The primary cause for Evans' financial straits from 1989 to 1992 was GM's refusal to pay a $804,000 debt owed to Evans' company, MECCA, for work done for GM. GM refused to pay the $804,000 receivable, and forced Evans to settle for $150,000 after the black box demonstration. Since GM had been the only source of income for Evans, this $654,000 compromise caused Evans and the company to go into a financial tailspin. Evans closed the company and laid off the employees. Creditors sent dunning letters and filed lawsuits to collect debts. Evans' wife pawned her engagement ring. Evans' bank threatened to foreclose on its loan and seize the assets of Evans and his company. Evans solicited investors and advised them of the proprietary reverse flow cooling system, but potential investors were scared off by the apparently imminent financial collapse of Evans and his company.

After Evans learned of GM's publication of his invention in the September, 1991 periodical describing the cooling system of the 1992 Corvette, he immediately wrote to GM to advise of his impending patent application, and to request a meeting to discuss the matter. GM ignored Evans, and shielded from Evans any information about its alleged sales activities before the critical date of July 1, 1991.

Thereafter, Evans filed the application for the '636 patent on July 1, 1992, nine months after he learned that GM had in fact stolen his invention and used it in the 1992 Corvette. Since GM did not publicly disclose or commercialize the 1992 Corvette with the LT1 engine until after July 1, 1991, Evans believed that he had timely filed his patent application to avoid any allegation that GM's sales activities would constitute an on sale bar. It is undisputed that Evans was unaware of the pre-July 1, 1991 sales activities until such activities were revealed during discovery in this action.

REASONS FOR GRANTING THE WRIT

This Court's precedent precludes invalidation of a patent by surreptitious and fraudulent theft and use of the invention. The Court of Appeals erroneously refused to accept that this Court's precedent establishes such a rule of law. Also, the Court of Appeals' decision erroneously undermines the goals of the U.S. patent laws in fostering technological growth and industrial innovation. To the contrary, the Court of Appeals' decision defeats such goals by encouraging trade secret misappropriation as a means of destroying otherwise valid patent rights. Therefore, this Court should grant a petition for a writ

of certiorari pursuant to Supreme Court Rule 10(c) to correct the errors in the Court of Appeals' decision.

I. Supreme Court Precedent Precludes Invalidation Of A Patent By Surreptitious And Fraudulent Theft And Use Of The Invention

This Court, in a series of cases decided in the 19th century, repeatedly stated that surreptitious and fraudulent use of an invention by a misappropriator of the invention cannot invalidate an inventor's patent on the invention. See *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1 (1829); *Shaw v. Cooper*, 32 U.S. (7 Pet.) 292 (1833); *Kendall v. Winsor*, 62 U.S. (21 How.) 322 (1859).

In *Pennock*, the Patent Act of 1793 authorized the issuance of patents "not known or used before the [filing of the patent] application." In discussing the statutory language, the Court stated,

> [I]f before his application for a patent his invention should be pirated by another, or used without his consent; it can scarcely be supposed that the Legislature had within its contemplation such knowledge or use . . . The use here referred to has always been understood to be a public use, and not a private or surreptitious use in fraud of the inventor.

27 U.S. at 19, 20.

In *Shaw*, the Court examined again the Patent Act of 1793, as well as the Act of 1800 extending patent rights to foreigners with the proviso that the patent shall be void if the invention "had been known or used previous to such application for a patent." The Court stated,

> But there may be cases, in which a knowledge of the invention may be surreptitiously obtained and com-

> municated to the public, that do not affect the right of the inventor. Under such circumstances no presumption can arise in favor of abandonment of the right to the public by the inventor; though an acquiescence on his part will lay the foundation for such a presumption . . . And if the invention, through fraudulent means, shall be made known to the public, he should assert his right immediately, and take the necessary steps to legalize it . . . If the right were asserted by him who fraudulently obtained it, perhaps no lapse of time could give it validity.

32 U.S. at 319, 320.

In *Kendall*, the Seventh Section of the Patent Act of 1839 was at issue. It afforded immunity from suit to prior users of a patented invention as follows,

> That every person or corporation who has or shall have purchased or constructed any newly invented machine, manufacture, or composition of matter, prior to the application of the inventor or discoverer for a patent, shall be held to possess the right to use, and vend to others to be used, the specific machine, manufacture, or composition of matter, so made or purchased, without liability therefor to the inventor or any other person interested in such invention.

The Court upheld a jury instruction providing that the defendants would have no right to continue to use the invention after issuance of the patent if the defendants obtained the invention by instigating a surreptitious act in violation of a pledge of secrecy made to the plaintiff. The Court stated,

> But whilst inventors are bound to diligence and fairness in their dealings with the public with reference to their discoveries, on the other hand, they are by obligations equally strong entitled to protection

> against frauds or wrongs practised to pirate from them the results of thought and labor, in which nearly a lifetime may have been exhausted; the fruits of more than the *viginti annorum lucubrationes*, which fruits the public are ultimately to gather. The shield of this protection has been constantly interposed between the inventor and fraudulent spoliator by the courts in England, and most signally and effectually has this been done by this court, as is seen in the cases of *Pennock & Sellers v. Dialogue*, 2 Pet. 1, and of *Shaw v. Cooper*, 7 Pet. 292.

62 U.S. at 329 (underlining added).

The later case of *Andrews v. Hovey*, 124 U.S. 694, 702-03 (1888) touched on this issue, and confirmed that a trade secret thief cannot invalidate a patent. In *Andrews*, the Court addressed the second clause of the Seventh Section of the Patent Act of 1839, which invalidated a patent if the invention had been purchased, sold or used "more than two years prior to such application for a patent." The plaintiff argued that use more than two years before the application for patent should not invalidate the patent where such use was without the knowledge, consent or allowance of the patentee. The plaintiff did not allege that such use was the result of piracy or misappropriation. To the contrary, the plaintiff himself had installed several of the patented "driven wells" on the property of third persons, and had publicly exhibited the invention, more than 2 years before filing his patent application. Thereafter, others made and used the invention, without the inventor's "consent" after learning about the prior installations.

The Supreme Court held that the patent was invalid based on public use more than two years before the application for the patent, which use was without the

consent or allowance of the inventor. However, the Court distinguished use "without consent or knowledge of the inventor" from use that derives from misappropriation of the invention, and stated,

> It may well be that a fraudulent, surreptitious and piratical purchase or construction or use of an invention prior to the application for the patent would not affect the rights of the patentee under either clause of the 7th section; but the present is not such a case as that which existed in *Kendall v. Winsor*. In the use of driven wells in public, at Cortland, by others than Green, more than two years before his application, we see nothing in the evidence under which such use can properly be characterized as fraudulent, piratical, or surreptitious.

124 U.S. at 708. Therefore, *Andrews* reaffirms the principles established in *Pennock, Shaw* and *Kendall*.

Thus, these U.S. Supreme Court cases clearly stand for the principle that, under the Patent Act, a patent cannot be invalidated by surreptitious and fraudulent theft and use of the invention.

II. The Court Of Appeals Has Not Followed The Rule Of Law Established By This Court's Precedents

The Court of Appeals in this action did not accept that this Court's precedents establish such a rule of law, and claimed that Evans was urging a "new exception" (App. 8, 13) to the on sale bar. The Court of Appeals stated that this Court's statements in *Pennock* and *Shaw* were mere dicta, and stated that *Kendall* is not on point because of a difference between the section of the Patent Act of 1839 at issue therein and § 102(b) of today's Patent Act at issue herein. The Court of Appeals relied

on the decisions of *Eastman v. Mayor of N.Y.*, 134 F. 844 (2d Cir. 1904), *Lorenz v. Colgate-Palmolive-Peet Co.*, 167 F.2d 423 (3d Cir. 1948) and *In re Martin*, 74 F.2d 951 (CCPA 1935) in declining to follow this Court's precedent.

This Court should issue a writ of certiorari to correct the error of the Court of Appeals in failing to follow this Court's precedent. While this Court's statements in *Pennock* and *Shaw* on the issue presented herein may have been dicta, this Court's decision on this issue in *Kendall* is a holding that affirmed a finding of patent infringement, and upheld a jury instruction that stated,

> That if Aldridge, under a pledge of secrecy, obtained knowledge of the plaintiff's machine—and he had not abandoned it to the public—and thereupon, at the instigation of the defendants, and with the knowledge, on their part, of the surreptitiousness of his acts, constructed machines for the defendants, they would not have the right to continue to use the same after the date of the plaintiff's letters patent.

The Court went on to expressly hold that the jury instruction was,

> in strict conformity with the principles hereinbefore propounded, and with the doctrines of [t]his court, as declared in the cases of *Pennock v. Dialogue* and *Shaw v. Cooper*.

62 U.S. at 331. Thus, notwithstanding the fact that *Kendall* addressed a provision of the Patent Act permitting a defendant to continue to use an invention after a patent issues (which is no longer in the Patent Act), rather than a statutory on sale bar, the Court, in support of its holding, resoundingly confirmed the principle that a patent cannot be invalidated by surreptitious and

fraudulent theft and use of the invention. Therefore, the Court of Appeals' decision herein is in conflict with the holding of *Kendall*.

The Court of Appeals' reliance on *Eastman*, *Lorenz* and *Martin* is unwarranted, not only because they are lower court decisions that do not justify a failure to follow this Court's precedent, but also because they are factually quite different. In *Eastman*, the court found that the facts, unlike the facts here, are similar to the facts in *Andrews*, i.e., it was not a case of "fraudulent and piratical" theft. 134 F. at 856.

In *Lorenz*, unlike here, the inventor had voluntarily disclosed his invention to a fellow employee without a pledge of secrecy 14 years before the filing of the application for the patent-in-suit. Further, the plaintiff in *Lorenz*, unlike Evans, had abandoned an earlier timely-filed patent application on his invention, which is contrary to the strictures in *Shaw* requiring an inventor to not abandon his invention.

In *Martin*, unlike here, the inventor had disclosed the invention to his employer more than 11 years before filing a patent application, and there was an agreement that he would not file any patent application except through his employer. As stated by the court in *Martin*,

> This, however, was appellant's voluntary act and affords no excuse for his not filing or causing to be filed an application for patent in time to avoid the bar of public use.

74 F.2d at 956. Thus, *Martin* is not properly relied upon here because the claimed inventor, unlike Evans here, failed to follow the strictures of *Shaw* requiring that the inventor not abandon the invention.

Here, contrary to the facts in *Eastman* and *Lorenz*, it is assumed for the purposes of this appeal that GM's theft and sale of Evans' invention has been fraudulent and piratical. Further, Evans, unlike the patentees in *Lorenz* and *Martin*, followed the strictures of *Shaw* by not abandoning his invention and by acting immediately to assert his rights after he learned of GM's use of the invention.

The Court of Appeals' decision, in relying on *Martin*, focused on the fact that GM's dealers were "innocent users who put the invention on sale by placing orders for innocent retail customers like Najarian" (App. 12). However, merely placing orders is not a "use" of the invention by either the dealers or the customers. To the contrary, there was no "use" by them of the invention during the time frame in question because the 1992 Corvette had not yet been built (it was built for customers for the first time in August, 1991, after the critical date of July 1, 1991). There had been no delivery or disclosure of the invention to dealers or customers at the time the alleged orders were being placed. Thus, during this time frame, GM is clearly the only party (other than Evans) with knowledge of the invention, and is the "guilty" party instigating the alleged offer for sale of the invention before the critical date. Therefore, the Court of Appeals' reliance on the "innocence" of dealers and customers who have not gained knowledge or possession of the invention is no basis to depart from this Court's clear pronouncements in *Pennock*, *Shaw* and *Kendall*.

The Court of Appeals wrongfully claims that Evans "knew GM stole the invention at the very time it was allegedly stolen" (App. 13). However, the District Court made no such finding, and there is no basis for such a

finding by the Court of Appeals, particularly in a summary judgment motion where inferences are to be construed in favor of the non-movant Evans. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986).

Finally, the Court of Appeals implies that Evans improperly delayed in filing his patent application "two years after the [black box] demonstration and some six years after [the invention] was reduced to practice" (App. 13). However, under this Court's precedent, such delay is permitted to test and develop the invention, *Kendall*, 62 U.S. at 328-29; *City of Elizabeth et al. v. American Nicholson Pavement Co.*, 97 U.S. 126, 137 (1878), and delay is permitted where the inventor is broke and does not abandon the invention, *Smith v. Goodyear Dental Vulcanite Co.*, 93 U.S. 486, 501 (1876) and *Woodbury Patent Planing-Machine Co. v. Keith*, 101 U.S. 479, 485-86 (1880). Thus, the Court of Appeals' decision is also inconsistent with Supreme Court precedent in this regard.

III. The Decision Of The Court Of Appeals Defeats The Goals Of Our Patent Laws Of Fostering Technological Growth And Industrial Innovation

The "true policy and ends of the patent laws enacted under this government" is to "promote the Progress of Science and Useful Arts" under U.S. CONST., art. I, § 8, cl. 8. *Kendall*, 62 U.S. (21 How.) at 328. This is consistent with the Congressional goal in creating the Court of Appeals for the Federal Circuit of strengthening the United States patent system "in such a way to foster technological growth and industrial innovation." *Markman v. Westview*, 517 U.S. 370, 116 S.Ct. 1384 (1996) (quoting from H.R. Rep. No. 97-312, pp. 20-23 (1981)).

The goals of our patent laws are consistent with the goals of our trade secret laws. As stated in *Kewannee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 481-82 (1974) (quoting from *National Tube Co. v. Eastern Tube Co.*, 3 Ohio CC NS 459, 462 (1902), aff'd, 69 Ohio St. 560, 70 N.E. 1127 (1903)),

> The maintenance of standards of commercial ethics and the encouragement of invention are the broadly-stated policies behind trade secret law. "The necessity of good faith and honest, fair dealing, is the very life and spirit of the commercial world."

These goals are insidiously undermined by allowing a trade secret thief to surreptitiously and fraudulently steal an invention and then put the invention on sale so as to invalidate any patent on the invention. There can be no justification for allowing such wrongful activity to undermine the goals of our patent laws.

The Court of Appeals' decision in this case effectively encourages such an insidious undermining of our patent laws (and trade secret laws). This Court should reverse the Court of Appeals' decision to prevent such a result. As stated in *Kewannee Oil*,

> A most fundamental right, that of privacy, is threatened when industrial espionage is condoned or made profitable; the state interest in denying profit to such illegal ventures is unchallengeable.

416 U.S. at 487.

The Court of Appeals, in justifying its rejection of Evans' contention that a trade secret thief should be barred from invalidating Evans' patent, and in admitting that "such a result may not seem fair," stated that Evans "is not without recourse" because he "would have an ade-

quate remedy in state court for misappropriation of a trade secret" (App. 13). However, Evans' right of action against GM for trade secret misappropriation does not prevent erosion of the goal of promoting technological growth and industrial innovation. Third parties, who are not subject to liability for trade secret misappropriation, receive a windfall in being permitted to practice the invention without any restrictions—a sort of unrestricted, royalty-free license. Such windfall, without any effort or technological advance by such third parties, deprives the true inventor of reaping the benefits of his own creative efforts, and is antithetical to the policies of encouraging technological growth and industrial innovation.

Further, contrary to the Court of Appeals' decision, Evans' trade secret claim is no solace for losing powerful patent rights. The very essence of a patent is the right to exclude others from making, using, offering to sell, or selling the patented invention. 35 U.S.C. §271(a); *Zenith Radio Corporation v. Hazeltine Research, Inc.*, 395 U.S. 100, 135 (1969) ("The heart of his legal monopoly is the right to invoke the State's power to prevent others from utilizing his discovery without his consent").

CONCLUSION

As repeatedly stated in the 19th Century cases discussed above, this Court has always interposed a "shield of protection" between an inventor and a fraudulent spoliator so as to foster and protect the policies of the patent laws, and to prevent injustice. In this century, this Court has continued to protect these policies of the patent laws, and prevent injustice. See *Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co.*, 339 U.S. 605,

607-08 (1949) and *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 117 S.Ct. 1040 (1997), where the Court twice held that the doctrine of equivalents permits a finding of infringement even when there is no literal infringement, so as to prevent a "fraud on the patent" that would "pirate an invention." *Graver Tank*, 339 U.S. at 607-08.

The Court of Appeals' decision in this action does not follow, and effectively guts, this Court's above-noted precedents. Further, it insidiously undermines the goals of both the patent laws and the trade secret laws, and encourages trade secret misappropriation as a means for invalidating a patent.

Therefore, this Court should grant this Petition for a Writ of Certiorari, and reverse the decision of the Court of Appeals in this action.

Respectfully submitted,

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Date: December 15, 1997

APPENDIX

United States Court of Appeals
for the Federal Circuit

97-1146

EVANS COOLING SYSTEMS, INC. and
PATENT ENFORCEMENT FUND, INC.

Plaintiffs-Appellants,

v.

GENERAL MOTORS CORP.

Defendant-Appellee.

Decided: September 16, 1997

Before ARCHER, *Chief Judge*, MICHEL and LOURIE, *Circuit Judges*.

MICHEL, *Circuit Judge*.

Evans Cooling Systems, Inc. and Patent Enforcement Fund, Inc. (collectively, "Evans") appeal the September 30, 1996 order of the United States District Court for the District of Connecticut granting summary judgment to General Motors Corporation ("GM") of invalidity based on the "on sale" bar under 35 U.S.C. § 102(b). The appeal was submitted for our decision after oral argument on July 1, 1997. Because there were no materially disputed questions of fact regarding whether the patented invention was offered for sale more than one year prior to the critical date and because we decline to create an exception to the on sale bar for those instances in which a

third party misappropriates the invention and later places the invention on sale or causes an innocent third party to place the invention on sale, we affirm.

BACKGROUND

United States Patent Number 5,255,636 ("the '636 patent") issued on October 26, 1993 and claims an aqueous reverse flow cooling system for internal combustion engines. An understanding of the technology is not necessary to this appeal and we therefore do not discuss it. John Evans, the named inventor, admits he conceived the patented invention in 1984 and reduced it to practice in 1986. Mr. Evans did not file a patent application, however, until July 1, 1992.

In early 1994, Evans filed the present lawsuit alleging that GM infringed the '636 patent by the manufacture and sale of cars having GM's "LT1" and "L99" engines. GM counterclaimed for a declaration of invalidity and non-infringement. GM asserted that the '636 patent was invalid because GM and its independent dealers had placed the patented invention on sale prior to the critical date with the introduction of its 1992 Corvette. Specifically, GM sent an "Order Guide" for the 1992 Corvette to its independent dealers in late April or early May, 1991 to be used for ordering the vehicle described in the Order Guide. At about the same time, GM sent its dealers a supplemental brochure that provided additional ordering information for the 1992 Corvette, specifically stating that the car had reverse flow engine cooling. A representative of GM testified that it expected the dealers would start ordering the vehicles as soon as the Order Guide was sent to them. A sales representative at a GM deal-

ership also testified that it was the dealership's common practice to order new cars and enter into agreements to sell new cars shortly after receiving the Guide. GM produced computer records documenting over 2000 orders placed by dealers around the country for the 1992 Corvette before the critical date. The orders, over 300 of which were placed on behalf of specific retail customers, were placed through a computer network and GM transmitted an acknowledgment back to the dealer after receiving the order. As a specific example, GM introduced evidence regarding a retail customer named Aram Najarian who visited a Corvette dealer in West Bloomfield, Michigan in June, 1991. Mr. Najarian entered into a contract with a GM dealer on June 13, 1991 in which GM agreed to sell and Mr. Najarian agreed to buy a Corvette with an LT1 engine. Although a firm price was not established at that time, Mr. Najarian was informed that the price would be up to $2000 higher than the 1991 model and he placed a deposit on the car at that time. The order was transmitted to GM, and GM sent back an acknowledgment on June 14, 1991.

Evans asserted before the trial court that GM should not be allowed to invalidate the '636 patent because GM, in fact, stole the invention from Evans. Specifically, GM allegedly requested that Evans demonstrate its aqueous reverse flow cooling system at GM's test facility in the spring of 1989, and Evans alleges that GM stole the invention during this demonstration.

The district court granted summary judgment in favor of GM on September 30, 1996, because the record established that GM and its dealers placed the 1992 Corvette with the LT1 engine on sale prior to the critical date. The district court relied on the facts that Mr. Najarian

entered into a contract with a GM dealer, the dealer agreed to sell and Mr. Najarian agreed to buy a 1992 Corvette, and Mr. Najarian paid a deposit and the dealer transmitted the order to GM. The court also noted that even an offer to sell will raise the on sale bar and that this transaction went beyond mere indefinite discussions about a possible sale. Turning to the policies underlying the on sale bar, the district court noted that John Evans claimed he reduced the invention to practice in 1986 but failed to file an application for some six years.

DISCUSSION

We review the district court's grant of summary judgment de novo. *Petrolite Corp. v. Baker Hughes, Inc.*, 96 F.3d 1423, 1425, 40 USPQ2d 1201, 1203 (Fed. Cir. 1996). A person is not entitled to a patent if "the invention was . . . on sale in this country, more than one year prior to the date of the application for patent in the United States." 35 U.S.C. § 102(b)(1994). In order for a patent to be invalid under this statute, the claimed invention asserted to have been on sale must be substantially completed with reason to expect it would work for its intended purpose, *Micro Chem., Inc. v. Great Plains Chem. Co.*, 103 F.3d 1538, 1545, 41 USPQ2d 1238, 1244 (Fed. Cir. 1997), must have been embodied in or obvious from the device offered for sale, and the sale must have been primarily for profit, *id.* at 1544, 41 USPQ2d 1243; *Keystone Retaining Wall Sys., Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1451, 27 USPQ2d 1297, 1303 (Fed. Cir. 1993). Whether an invention was placed on sale prior to the critical date is ultimately a conclusion of law that we review de novo, although it is based on underlying facts.

Micro Chem., 103 F.3d at 1544, 41 USPQ2d at 1249; *Ferag AG v. Quipp, Inc.*, 45 F.3d 1562, 1566, 33 USPQ2d 1512, 1514-15 (Fed. Cir. 1995), *cert. denied*, 116 S. Ct. 71 (1995).

I.

GM argues, and the trial court held, that the '636 patent is invalid because the independent dealers placed the accused engine on sale to retail customers. As discussed more fully in the fact section, this argument involves the contract for sale entered into on June 13, 1991 between Mr. Najarian and Jack Cauley Chevrolet, Inc., which had received the 1992 Corvette Order Guide and a brochure containing ordering information for the 1992 Corvette and the LT1 engine around April 30, 1991.

Evans makes no argument that the LT1 engine in the 1992 Corvette was not substantially complete. Nor does Evans argue that the pre-critical date sales were for a non-commercial purpose.

Evans does, however, argue that summary judgment was inappropriate because GM did not meet its burden of proving by clear and convincing evidence that the engine of the 1992 Corvette anticipated the claims of the '636 patent. Although GM conceded infringement for purposes of the summary judgment motion, it denied infringement in its answer and stated in sworn answers to interrogatories that the claims of the '636 patent were not infringed because the LT1 engine lacked certain elements of the claims. Evans argues, therefore, that GM has necessarily admitted, or at least created a genuine issue of material fact, that the engine of the 1992 Corvette does not anticipate any of the asserted claims.

We do not agree. This is not the typical case where the patentee has placed some device on sale prior to the critical date and the accused infringer must demonstrate that this device actually embodied or rendered obvious the patented invention. Here, the entire basis of the lawsuit is Evans'—the patentee's—contention that the LT1 engine—the device that was put on sale—contains a cooling system that infringes. GM denied that the LT1 engine infringed the '636 patent but, by conceding infringement for purposes of the summary judgment and its on sale defense, properly pled in the alternative. *See* Fed. R.Civ.P. 8(e) (1997) ("A party may set forth two or more statements of a claim or defense alternatively or hypothetically, either in one count or defense or in separate counts or defenses."). Although GM bore the burden of proving that the LT1 engine embodied the patented invention or rendered it obvious for purposes of the summary judgment motion, this burden is met by Evans' allegation, forming the sole basis for the complaint, that the LT1 engine infringes. Indeed, even on appeal, Evans states in its brief, directed only to the on sale issue, that "GM uses an aqueous reverse flow cooling system in its LT1 engine."

Evans also argues, in effect, that there was no "sale" or offer for sale of the LT1 engine. Evans argues that, based on the totality of the circumstances, a reasonable jury could conclude that "the Najarian 'order' was an advance, non-binding order, cancelable by either party, that was not finalized until after July 1, 1991" and that it was void to the extent that it was an offer for sale. We have often stated that the totality of the circumstances and the policies underlying the bar must be considered in determining whether a definite offer for sale trigger-

ing section 102(b) has been made. *See, e.g., Envirotech Corp. v. Westech Eng'g Inc.*, 904 F.2d 1571, 1574, 15 USPQ2d 1230, 1232 (Fed. Cir. 1990). However, where there is a specific and definite offer for sale of a successfully tested device, such as that evidenced by a completed contract for sale, that embodies every limitation of the later patented invention as claimed prior to the critical date and that sale is clearly for commercial purposes, the analysis need not go any further. It is not that the totality of the circumstances test is not to be applied in such a case, but that there are then no circumstances, short of fraud or duress, that could turn such an offer into something other than a barring event.

Even if we were otherwise to consider the totality of the circumstances, Evans' relevant arguments on this point are easily discarded. Evans argues that Mr. Najarian's order is ineffective as a sale because it stated that "[a]ny provisions of this order prohibited by Michigan or Federal law shall be ineffective to the extent of such prohibition" and the Federal Fuel Economy Regulations and the Clean Air Act prohibited any offer for sale as of this date because GM had not yet received fuel economy labels or a Certificate of Conformity from the EPA. Even assuming this to be the case, the mere fact that the offer for sale was illegal or ineffective does not remove it from the purview of the section 102(b) bar. Jack Cauley Chevrolet thought it was offering to sell a 1992 Corvette to Mr. Najarian and Mr. Najarian thought he was agreeing to buy such a car. Moreover, there is no evidence that Mr. Najarian did not receive the car or that the offer was actually invalidated. Likewise, neither the fact that the price was not firm nor that the color had not been chosen avoids the section 102(b) bar. Mr. Najarian was given an

estimated price range and it is not uncommon for car buyers to change their minds about the desired color. Similarly, the fact that the contract was cancelable or changeable under certain circumstances does not mean that it does not evidence a definite offer for sale. Finally, even if the independent dealership violated internal procedures by offering the 1992 Corvette for sale prior to the model announcement date GM had set, this does not make the offer for sale any less an offer.

Thus, we hold that the order entered into by Mr. Najarian and Jack Cauley Chevrolet on June 13, 1991—nearly a month prior to the critical date—evidences an effective offer for sale that invalidates the '636 patent. Although GM also argues that the '636 patent is invalid because GM placed the reverse flow cooling system in its engines on sale when it sent the Order Guide and supplemental information brochure to its dealers across the country in late April or early May of 1991, we do not reach or decide that issue here. *See Intel Corp. v. International Trade Comm'n*, 946 F.2d 821, 829, 20 USPQ2d 1161, 1169 (Fed. Cir. 1991) ("A single sale or offer to sell is enough to bar patentability.").

II.

Although our analysis would normally be complete once we had concluded there was an invalidating offer for sale, Evans urges this court to create a new exception to the on sale bar. Specifically, Evans asks us to rule that an otherwise invalidating offer for sale does not invalidate a patent "where a third party surreptitiously steals an invention while it is a trade secret and then, unbeknownst to the inventor, allegedly puts the inven-

tion on sale [more than one year] before the inventor files a patent application covering the stolen invention."

Evans cited three Supreme Court cases and asserts that they state that prior use of an invention by one who misappropriates the invention cannot invalidate a patent. *See Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1, 19-20 (1829) ("[I]f before his application for a patent his invention should be pirated by another, or used without his consent; it can scarcely be supposed, that the legislature had within its contemplation such knowledge or use . . . The use here referred to has always been understood to be a public use, and not a private or surreptitious use in fraud of the inventor."); *Shaw v. Cooper*, 32 U.S. (7 Pet.) 292, 319-20 (1833) ("But there may be cases, in which a knowledge of the invention may be surreptitiously obtained, and communicated to the public, that do not affect the right of the inventor. . . . If the right were asserted by him who fraudulently obtained it, perhaps no lapse of time could give it validity."); *Kendall v. Winsor*, 62 U.S. (21 How.) 322, 329 (1859) (affording immunity from suit to prior third party users of a patented invention but refusing to extend such immunity to those who received knowledge of the patented invention through fraud). Evans argues that these Supreme Court cases have never been expressly overruled and, in fact, the one time the Court of Customs and Patent Appeals addressed the issue it expressly left it open, stating:

> We do not find it here necessary to decide whether a fraudulent use of an invention for more than two years [then the bar period] prior to an application for a patent therefor bars the issue of the patent upon such application . . . . It may be that . . . said Minerals Separation should have been held to be estopped

> to bring a public use proceeding. But even so, as to this we express no opinion. . . .

In re Martin, 74 F.2d 951, 955-56 (CCPA 1935).

We, however, do not find any of these cases dispositive of the issue presented by this case. In *Pennock*, the Supreme Court actually invalidated the patents in suit under the public use bar, and in that case the use had been with the permission of the patentee, thereby rendering any statements regarding piracy mere dicta. Likewise, the statements relied on by Evans in *Shaw* are dicta, as there too the patent was invalidated because the innocent public had come to know and use the invention, although there was some evidence that the invention had first become known to the public by fraudulent means. The statutory on sale bar wasn't even in issue in *Kendall*. Rather, the issue was whether the defendant had the right to continue to use the invention after the patent issued. *See also Eastman v. Mayor of N.Y.*, 134 F. 844, 852-55 (2d Cir. 1904) (discussing whether "fraudulent, surreptitious, or piratical" use of an invention could raise the public use bar and rejecting statements in above Supreme Court cases as dicta).

We note as well that the one other court that has addressed this precise issue has rejected arguments similar to Evans' arguments. *See Lorenz v. Colgate-Palmolive-Peet Co.*, 167 F.2d 423, 77 USPQ 138 (3d Cir. 1947). There, the court addressed the following question: "Was it the intention of Congress that public use by one who employs a process in breach of a fiduciary relationship, who tortiously appropriates it or who pirates it, should bar the inventor from the fruits of his monopoly?" 167 F.2d at 426, 77 USPQ at 141. Lorenz had disclosed his invention to Colgate. Although Colgate told Lorenz the

idea was rejected, it later made substantial commercial use of Lorenz's invention and then sought to invalidate Lorenz's patent based on this use. *Id.* at 424-25, 77 USPQ at 140-41. After reviewing the Supreme Court and other relevant case law, the court rejected an exception to the statutory bar, stating:

> The prior-public use proviso . . . contains no qualification or exception which limits the nature of the public use. We think that Congress intended that if an inventor does not protect his discovery by an application for patent within the period prescribed by the Act, and an intervening public use arises from any source whatsoever, the inventor must be barred from a patent or from the fruits of his monopoly, if a patent has issued to him. There is not a single word in the statute which would tend to put an inventor, whose disclosures have been pirated, in any different position from one who has permitted the use of his process. . . [I]solated instances of injustice may result if the law be strictly applied, but the inventor's remedy is sure. He is master of the situation and by prompt action [in filing a patent application] can protect himself fully and render the defense of prior public use impossible.

Id. at 429-30, 77 USPQ at 144 (footnote omitted). Although this decision is not binding on this court, it is persuasive.

Even if we were to create an exception to the on sale bar such that third parties accused of misappropriating an invention could not invalidate a patent based upon sales by the guilty third party, GM correctly asserts that *Martin* squarely holds that activities of third parties uninvolved in the alleged misappropriation raise the statutory bar, even if those activities are instigated by

the one who allegedly misappropriated the invention. In *Martin*, Martin's employer stole Martin's invention and filed an application on it and disclosed it to a third party. 74 F.2d at 952-53. After learning of his employer's activities, Martin filed his own application. After an interference was declared, the employer argued Martin's application was barred based on the activities of the third party. Martin conceded his invention had been in public use, but argued that the bar should not apply because the third party's use was "instigated by [his] employer and was a surreptitious and fraudulent public use against him" *Id.* at 953. After reviewing the Supreme Court and other relevant case law, the Court of Customs and Patent Appeals noted it had "been unable to find any authoritative decisions upon the question of whether a fraudulent public use of an invention . . . prior to the filing of an application . . ., or such public use of an invention instigated by fraud, bars the issuance of a patent . . ." *Id.* at 955. Although the Court of Customs and Patent Appeals did not address that precise issue, the Court of Customs and Patent Appeals did hold that allowance of the application was barred because the third party's public use had been innocent, even though it had obtained the technology from the employer. *Id.*

As discussed below, this holding is dispositive here because, although Evans has charged GM with misappropriation, it has never contended that the independent dealers had any participation in or knowledge of the alleged theft; nor is there any indication that Mr. Najarian had such knowledge. Thus, the independent dealers are innocent users who put the invention on sale by placing orders for innocent retail customers like Najarian.

While such a result may not seem fair, Evans is not without recourse if GM in fact misappropriated his invention. Evans would have an appropriate remedy in state court for misappropriation of a trade secret. We note as well that the facts Evans alleges in support of its misappropriation claim demonstrate that Evans knew GM stole the invention at the very time it was allegedly stolen because during the demonstration GM employees allegedly told Mr. Evans they intended to steal the invention and a sealed room was unsealed during the night between the tests. Evans' patent rights would have nevertheless been protected if Mr. Evans had filed a patent application no more than one year from the date of the demonstration. This he did not do; instead Mr. Evans waited for more than two years after the demonstration and some six years after it was reduced to practice.

CONCLUSION

The '636 patent is invalid due to the pre-critical date contract entered into between the independent GM dealership and Mr. Najarian whereby the dealership offered to sell and Mr. Najarian agreed to buy a 1992 Corvette containing the LT1 engine. Even if GM misappropriated the idea behind the LT1 engine cooling system from Mr. Evans, the invention was nevertheless on sale and we decline to create the suggested new exception to the 102(b) bar which has no basis in the language of the statute. The trial court's decision is therefore affirmed.

AFFIRMED

[Dated September 30, 1996]

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

EVANS COOLING SYSTEMS, INC. and PATENT ENFORCEMENT FUND, INC.,	:	
	:	CASE NO.
Plaintiffs,	:	3:94CV35 (RNC)
v.	:	
GENERAL MOTORS CORPORATION,	:	
Defendant.	:	

ENDORSEMENT RULING AND ORDER

This is a patent infringement case. The patent at issue, U.S. Patent No, 5,255,636 (the "'636 patent") claims an apparatus and method for cooling an internal combustion engine. Plaintiffs allege that General Motors Corporation has infringed the patent by making and selling cars, such as the 1992 Corvette, that contain an "LT1 engine cooling system."[1] GM has moved for summary judgment [doc. #117] on the ground that it placed the 1992 Corvette with its LT1 engine cooling system "on sale" more than one year before July 1, 1992, the day the application for the '636 patent was filed. After careful consideration of the parties' briefs and oral arguments, GM's motion for summary judgment is granted.

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[1] Plaintiffs contend that GM stole the "technology" from the named inventor, John W. Evans. Evans has sued GM in a separate action for misappropriation of trade secrets.

An inventor who does not promptly seek a patent runs the risk of losing the right to obtain a patent. Under 35 U.S.C. § 102(b), an inventor loses his or her right to obtain a patent if the invention was "on sale" more than one year prior to the date of the patent application. The on sale bar "is not limited to sales by the inventor or one under his control, but may result from activities of a third party." *J.A. LaPorte, Inc. v. Norfolk Dredging Co.*, 787 F.2d 1577, 1581 (Fed. Cir.), cert. denied, 479 U.S. 884 (1986); *In re Caveney*, 761 F.2d 671, 675 (Fed. Cir. 1985).

In this case, summary judgment is appropriate because the record establishes that GM and its dealers placed the 1992 Corvette with its LT1 engine cooling system on sale more than a year before the patent application was filed. It is undisputed that on June 13, 1991, a retail customer named Najarian entered into a contract with a GM dealer relating to the purchase of a 1992 Corvette with the LT1 engine cooling system. In executing the contract, the dealer "agree[d] to sell" and the customer "agree[d] to purchase" a 1992 Corvette with an "LT1" engine. The customer paid a deposit of $500 and the dealer transmitted the order to GM.[2]

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[2] GM contends that the Najarian transaction is typical of hundreds of orders for 1992 Corvettes with the LT1 engine cooling system that were placed by retail customers prior to the critical date of July 1, 1991. Computer records show that as of June 30, 1991, GM received from its dealers a total of 2,078 orders for 1992 Corvettes with the LT1 engine cooling system. Of those, 318 were placed for specifically identified retail customers and marked "sold." Under § 102(b), a single offer to sell is enough to bar patentability. *A.B. Chance Co. v. RTE Corp.*, 854 F.2d 1307, 1311 (Fed. Cir. 1988).

Plaintiffs contend that the on sale bar does not apply to the Najarian transaction because the dealer's agreement to sell was merely a step in preparation for a sale and not an offer to sell. *See Intel Corp. v. U.S. Int'l Trade Comm'n*, 946 F.2d 821, 830 (Fed. Cir. 1991). However, an offer to sell will raise the on sale bar even though the product is not on hand and ready for delivery. *See Barmag Barmer Maschinefabrik AG v. Murata Mach., Ltd.*, 731 F.2d 831, 837 (Fed. Cir. 1984). Moreover, the dealer's agreement to sell went beyond the level of merely indefinite or nebulous discussions about a possible sale. *TRW Fin. Sys., Inc. v. Unisys Corp.*, 835 F. Supp. 994, 1003 (E.D. Mich. 1993). It is undisputed that the dealer, in entering into the transaction, intended to deliver the car to the customer when it became available. *See* Transcript of Oral Argument of May 10, 1996, at 61.

Though this case involves sales activities by third parties, rather than the inventor or someone under his control, the policies underlying the on sale bar justify its application here.[3] Plaintiff Evans, the inventor named in the '636 patent, claims that he reduced the patented cooling system to practice by July 1986. However, he did

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[3] In determining whether the on sale bar applies, it is necessary to consider the policies underlying the bar. *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 549 (Fed. Cir. 1990). They are: (1) a policy against removing inventions from the public domain that the public has justifiably come to believe are freely available due to commercialization by the inventor or others; (2) a policy favoring prompt and widespread disclosure of inventions to the public; (3) a policy against allowing an inventor to extend the patent period; and (4) a policy of giving an inventor a reasonable time following sales activity to determine whether a patent would be worthwhile.

not file an application for a patent until approximately six years later.[4] By the time Evans filed his application, GM's dealers and retail customers had come to believe that the 1992 Corvette and its LT1 engine cooling system were freely available.[5] In these circumstances, application of the on sale bar serves the important policy of encouraging early filing of patent applications as well as the policy against removing inventions from the public domain. *See J.A. LaPorte, Inc.*, 787 F.2d at 1583; *In re Caveney*, 761 F.2d at 676.

GM argues that summary judgment is also appropriate because the claimed invention was in "public use" more than a year before the patent application was filed. 35 U.S.C. § 102(b). It is undisputed that in May and June 1991, numerous 1992 Corvettes with the LT1 engine cooling system were driven by test drivers on public highways and roads. Because summary judgment is appropriate based on the on sale bar, it is unnecessary to address this question whether summary judgment would also be appropriate based on the public use bar.

Accordingly, defendant's motion for summary judgment is hereby granted.

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[4] Plaintiffs contend that Evans did not attempt to commercialize or file a patent application on his invention because he was testing the technology, working on related technology, was in poor financial condition and could not obtain financial backing.

[5] At his deposition, Evans testified that he was prompted to file the application after learning in September 1991 that GM had disclosed his "technology" to the public.

So ordered.

Dated at Hartford, Connecticut this 30th day of September 1996.

Robert N. Chatigny
United States District Judge

App. 19

[Dated November 4, 1996]

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

EVANS COOLING SYSTEMS, INC. AND PATENT ENFORCEMENT FUND, INC.	:	
	:	CASE NO.
v.	:	3:94CV-35(RNC)
GENERAL MOTORS CORPORATION	:	

JUDGMENT

This action having come on for consideration of the defendant's motion for summary judgment before the Honorable Robert N. Chatigny, United States District Judge and,

The Court having considered the full record of the case including applicable principles of law, and having filed an Endorsement Ruling and Order granting the motion, it is therefore,

ORDERED, ADJUDGED, and DECREED that judgment be and is hereby entered in favor of the defendant.

Dated at Hartford, Connecticut, this 4th day of November, 1996.

KEVIN F. ROWE, Clerk

By:_____

Robin D. Tabora
Deputy in Charge